

ADDITIONAL ESTIMATES—MINT, SAN FRANCISCO.

LETTER

FROM

THE SECRETARY OF THE TREASURY,

TRANSMITTING

Additional estimates for the branch mint at San Francisco.

JANUARY 9, 1857.—Referred to the Committee of Ways and Means, and ordered to be printed.

TREASURY DEPARTMENT, *January 7, 1857.*

SIR: I have the honor to submit a copy of a letter from the director of the mint, of the 3d ultimo, recommending that the appropriations for the branch mint at San Francisco may be increased for the service of the year to end June 30, 1858, over the sums contained in the printed estimates, as follows:

Salaries of officers and clerks.....	\$8,500 00
Wages of workmen	4,800 00
Incidental and contingent expenses	21,415 00

And also recommending an appropriation of \$40,000 to cover deficiencies.

Under date of June 30, 1856, the director of the mint reported to me his having been advised of a deficiency at the said branch, and recommended that an estimate should be submitted to Congress for the sum of \$30,000 to cover the amount; but having doubts upon the subject, and being desirous first to ascertain whether the expenditures at this branch had been judiciously and economically made, I declined at that time to submit such estimate.

In order to ascertain the general character of these expenditures the accounts of the branch were examined, and a letter, under date of July 4, 1856, was addressed to the superintendent, pointing out items which appeared to be objectionable, and this letter having been sent under cover to J. Ross Browne, special agent of the department, he was instructed to investigate and report upon the subject. His report of this examination into the affairs of the branch mint, and showing considerable reduction in the current expenses, bears date

August 5, 1856, and, with the reply of the superintendent of August 4, and other papers herein referred to, is respectfully submitted.

I am, very respectfully,

JAMES GUTHRIE,
Secretary of the Treasury.

Hon. N. P. BANKS, Jr.,
Speaker House of Representatives.

MINT OF THE UNITED STATES,
Philadelphia, June 30, 1856.

SIR: I regret the necessity of calling your attention to a deficiency in the appropriation and means applicable to the ordinary expenses for the branch mint at San Francisco, California, during the fiscal year ending to-day. I have just received a letter on this subject from the superintendent of that branch of the mint. He says: "I would beg leave to call your attention to the state of our means for the balance of the present fiscal year. By reference to my letter of the 19th December last, in reply to yours of the 19th November, you will perceive that I made no calculation for paying the whole or any part of the acid contract in New York, but excluded it entirely from my estimate, but I find in your last account a payment of \$3,337 62 for acid, which payment, together with the large drafts on our 'wages appropriation,' will render it absolutely necessary that we have a deficiency appropriation of at least \$20,000, *exclusive of the \$10,000 to be paid for acid*, or \$30,000 in all, which amount you will please ask for, that we may have it at the earliest possible moment, as the workmen have not been paid for the month of May, and they are obliged to borrow money for their support at 3 per cent. per month."

It would appear that the deficiency stated arises, in a great measure, from the large amount of coinage which has been executed, and a consequent increase in expenses, especially in the wages of workmen, there being a large force employed and much overtime allowed. As requested by the superintendent, I commend the subject to your attention.

I have the honor to be, with great respect, your faithful servant,
JAMES ROSS SNOWDEN,
Director United States Mint.

Hon. JAMES GUTHRIE,
Secretary of the Treasury,
Washington, D. C.

MINT OF THE UNITED STATES,
Philadelphia, December 3, 1856.

SIR: By the late mail from California I have received a detailed statement of the appropriations required for the support of the branch mint at San Francisco for the fiscal year ending June 30, 1858. These estimates I now transmit to the department, in accordance

with the suggestion contained in my letter of the 27th day of October last. In the absence of any estimates from that branch, I assumed that their operations would amount to thirty millions per annum, and that the expenditures would be..... \$396,249 00
 The deductions for parting, &c..... 124,749 00

Estimated amount of appropriation required..... 271,500 00

The superintendent's estimate of forty millions is..... \$471,215 00
 Less deductions for parting, &c..... 165,000 00

Amount of appropriations asked for..... 306,215 00

The increase in the several items of appropriation are as follows:

Salaries of officers and clerks \$8,500 00
 Wages of workmen..... 4,800 00
 Incidental and contingent expenses..... 21,415 00

Under this view, the appropriations required for the next fiscal year are as follows:

For salaries of officers and clerks, (which includes the additional clerks asked for by the superintendent).... \$36,500 00
 For wages of workmen and adjustors..... 175,000 00
 For incidental and contingent expenses, including wastage..... 94,715 00

The incidental expenses are stated at \$295,715, but from this is deducted the sum of \$165,000 for parting charges, and the balance is as above stated, \$94,715, which is required to be appropriated. The superintendent has not expressly included the item of wastage, but he may have considered that item in presenting these estimates; it is probable that the estimates are sufficiently liberal to cover it. The foregoing appropriations are necessary for the proper support of that branch of the mint. For the details, I beg to refer to the papers herewith enclosed.

It also appears that there will be a deficiency in the appropriation for the present fiscal year, arising in part from the fact that the appropriations for the last fiscal year were inadequate, and bills to a considerable amount (the payment of which were necessarily postponed) have been paid from the appropriations for the current year. In order that that branch may be relieved from embarrassment, and be enabled to make advantageous purchases of supplies, I recommend to your consideration the propriety of asking for an appropriation of forty thousand dollars, to supply the deficiency in the appropriations for wages of workmen and incidental expenses for the present fiscal year.

I have the honor to be, with great respect, your faithful servant,
 JAMES ROSS SNOWDEN,
Director of the Mint.

Hon. JAMES GUTHRIE,
Secretary of the Treasury,
Washington City.

TREASURY DEPARTMENT, *July 4, 1856.*

SIR: Enclosed you will receive a copy of a letter this day addressed by me to Peter Lott, esq., superintendent of the branch mint at San Francisco. You will also receive a copy of the regulations mentioned in the said letter, to which I ask your attention; and, further, you will receive a statement, prepared by the register, showing the quarterly expenditures of the branch mint from the commencement of its operations to the 31st March, 1856—the latest period which accounts have been rendered. You will perceive that there has been a gradual increase from the beginning until the last quarter, when the amount is enormously increased over any former quarter.

I wish you to enter immediately upon a thorough investigation of these transactions by examining the different items, and inquiring of the officers or of other sources into the necessity for the said expenditures for labor as for supplies, including the prices paid the faithful application or preservation of the supplies procured for the public use; and to report to me thereon with as much particularity and detail, and in as brief a period, as you may find convenient.

Considering the distance of San Francisco from Washington, and the time required for your report to reach me, and my instructions again to reach San Francisco, I am desirous that the retrenchment that may be found necessary should take place at once upon the subject of wages; this can, I suppose, be immediately reduced at least $33\frac{1}{3}$ per cent.

The next most indispensable retrenchment will be in the number of employés, and, so far as you can induce the superintendent to concur in such reduction, that should also take place at once under the third head, to wit: of incidental and contingent expenses. I will thank you to inquire upon what authority, and under what instructions, these expenses are incurred; and to recommend to the superintendent, and report to me, the best mode, in your view, of restricting them within due bounds.

I am, very respectfully,

JAMES GUTHRIE,

Secretary of the Treasury.

J. ROSS BROWNE, Esq.,

Special Agent, &c., San Francisco, Cal.

TREASURY DEPARTMENT, *July 4, 1856.*

SIR: J. R. Snowden, esq., director of the mint, has transmitted to me an extract of a letter addressed by you to him, in which, referring to a payment for acid in New York of \$3,337 62, you observe "that this payment, with the large drafts on wages appropriation, will render it absolutely necessary that we have a deficiency appropriation of at least \$20,000, exclusive of the \$10,000 to be paid for acid, or \$30,000 in all, which amount you will please ask for, that we may have it at the earliest possible moment;" and the director, supposing that this

deficiency arises from the large amount of coinage, especially in the wages of workmen, has recommended the subject to my attention, with a view to my laying it before Congress and asking an appropriation to meet it.

The payment for so much of the acid as was purchased in New York, and has been stored to meet any future exigency arising from failure of contractors in San Francisco, was, of course, not especially in view, when the appropriation was ample for this and all other purposes if judiciously and economically applied.

I am not satisfied that it has been so managed; but, on the contrary, am led to conclude, from an examination of the accounts of the branch mint, that there has been an improvident and uncalled for expenditure both for wages and for contingencies.

You entered upon your duties as superintendent on the 17th November, 1855. For the quarter ending on the 30th September preceding, the wages of workmen were \$34,348 45; and for the quarter ending the 30th December, 1855, they were \$34,297 17; but in the quarter ending 31st March, 1856, (the first entire quarter under your superintendency,) the amount rose to \$41,263 90—being an increase of more than 20 per cent. on the preceding quarter. So, in like manner, for the quarter ending 30th September, 1855, the incidental and contingent expenses were \$32,040 22; and for the quarter ending 31st December, 1855, they were \$28,546 33; whilst for the quarter ending 31st March, 1856, they rose to \$57,506 75—being more than 100 per cent. increase on the amount of the preceding quarter. These excesses alone amount to more than the sum which you represented to be deficient.

Passing from the aggregate to the detail of these expenditures, they appear to me to be excessive in the following particulars:

- 1st. In the rates of wages allowed;
- 2d. In the number of employés; and
- 3d. In alterations, fixtures, repairs, and supplies of every kind made and procured.

Upon the subject of the rate of wages, the course pursued in respect to the custom-house might have suggested to you the proper course to be pursued. In it the compensations have been reduced as the wages of labor have fallen in the market. Common labor is now paid in the custom-house at \$100 per month, and in the most trusted places at \$120, which are certainly not under the market rates. You should have pursued the same course as well because the reduction would have been proper in itself, but in view of the deficiency which has occurred, instead of keeping up the wages of laborers at five, six, seven, and eight dollars per day.

- 2d. The excessive number of employés.

For the mere care of the building and attendance in the office, and exclusively of the operatives in the different branches, you have now employed: 4 watchmen, 2 door-keepers, 2 messengers, 1 conductor, 1 porter, 2 laborers, and 2 servants, making 14 persons in addition to 1 millwright at \$7 per day, although I find in the abstract of contingent expenses millwrighting for a considerable period charged as a separate item.

All the above persons, except the watchman and millwright, are of the same general character of employment or duties; they are in fact messengers. Ten in number of this description of persons far surpasses any necessity, which does not, in my opinion, call for more than three, or, at most four, such persons.

I cannot judge so well of the number required in the operative department, but from the above sample conclude their number is equally beyond the necessities of the public service.

Upon this subject I must remark that I consider the allowance for extra work liable to great abuses, and otherwise objectionable, and that, although I do not at present absolutely interdict such allowance, for the future, I request you to discontinue the practice, if, in your opinion, it can be done, and if not, that you will report the grounds of the continuance, and the limitations and restrictions provided to prevent abuse.

3d. Incidental and contingent expenses.

The advertising charged for appears to me altogether uncalled for, and considering the number of papers for which charges are made, would seem to be intended rather as patronage to the public press than for necessary information. In point of fact, the notices were for the benefit of the community rather than the branch mint, and would readily have been published by any paper as articles of news interesting to its readers and without charge. What occasion is there in the mint for business directories?

Expensive fixtures and furniture are charged, in respect to the occasion for which, under any circumstances, I have great doubts; but considering the danger of overrunning the appropriation, I have none that they ought not to have been provided, at least until another appropriation should be made. A large bill for carpentry is receipted for by A. Snyder, and if this person is a brother of the treasurer, the employment is open to the prohibition contained in the 16th article of the regulation of 17th March last, of which I enclose a copy.

Bills are charged in the same abstract for labor for long periods, without stating the nature of the work to be done. The charges for repairs of furnaces and machinery, and for new implements and tools, strikes me as being enormous; and I see no credit in the account for any materials or old tools, or implements of furniture superseded and disposed of.

Stationery is purchased in large quantities and at high prices. I find two weigh-books charged at \$35 each, and five cap books at \$80.

With these facts before me, of the vast increase in the aggregate expenses of the establishment for the very first entire quarter it was under your supervision, of the extravagant wages paid, of the number of employes retained, and of the apparently increased expenses for furniture, stationery, fixtures, alterations, implements, &c., I shall not make an application to Congress as you desire, for an appropriation to supply the deficiency, at least until I shall be better satisfied in respect to the necessity and propriety of said expenditures.

With a view to this end, I shall send a copy of this letter to J. Ross Browne, esq., special agent of the department in California, and request him to make a thorough examination upon the subject. You

will please instruct the treasurer to exhibit to him his books and papers, and the officers generally to give such information and aid in his examination in their power, and upon his report, when received, I shall be better able to judge whether the usual appropriations for the branch mint are, or not, sufficient for all proper purposes.

I am, very respectfully,

JAMES GUTHRIE,

Secretary of the Treasury.

PETER LOTT, Esq.,

Superintendent Branch Mint, San Francisco, California.

SAN FRANCISCO, CALIFORNIA,

August 5, 1856.

SIR: I have the honor to acknowledge the receipt of your letter of July 4th, relative to the increase of expenditures in the branch mint; and beg to report that, in compliance with your instructions, I entered immediately into a detailed examination of the condition of that institution, embracing a critical analysis of the accounts, and a minute inquiry into all its operations, especially under the superintendency of Mr. Lott.

Upon a careful examination of more than five hundred vouchers, I find the result to be as follows:

INCIDENTAL AND CONTINGENT EXPENSES.

The instructions of the department having reference more particularly to the increase of expenditures made by the present superintendent, and it being impossible within any limited period to obtain the necessary explanations relative to all the items embraced in the accounts of the late superintendent, I have referred to them only so far as to determine by comparison the actual rate of increase; how far that increase was rendered necessary by the amount of work performed; whether the prices paid for supplies of all kinds have enhanced beyond the market rates; and whether there is any disproportion in the rates of expenses for the wages of operatives and clerks.

It should be borne in mind that when the branch mint went into operation a considerable portion of the material for current use, was furnished by the Philadelphia mint, and the necessity for purchases in San Francisco was to that extent reduced. Not being able to ascertain the exact amount and value of the supplies so furnished, it would be difficult to determine how far this consideration should prevail in estimating the expenditures under the superintendency of Mr. Lott. When he came into office, he received such unconsumed material as was turned over to him, but the main supplies of coal, acids, sulphur, &c., were exhausted and the amount to his debit was very small.

The vouchers commencing on the 16th of November, show that a

large portion of the items of expense apparently incurred by him were for supplies ordered and delivered anterior to his appointment, and are, therefore, not properly chargeable to him. The bills remaining unpaid were presented with the proper certificates; and when he found upon examination that they were correct he paid them. In some instances they had not previously been sent in; in others payment was deferred by the late superintendent on the grounds of a deficiency of means.

Commencing with voucher No. 520, paid November 16, 1855, I propose to submit, with explanatory statements, an abstract of each voucher embraced in the remaining fraction of that quarter, viz: November 16, Hennel & Bowden, charcoal delivered at

	different dates between October 24, and November 14, all consumed.....	\$140 00
521.	Fair Haven Oil Company—one barrel oil, delivered November 12, a barrel of oil lasts about a month, a portion, therefore, remained on hand.....	48 00
522.	Vander Mersch, cupels delivered between 8th and 16th of November, 2,000 cupels; 400 on hand 16th of November. Price formerly paid for cupels, \$60 per thousand. Price of these, \$24; subsequently reduced by contract to \$22 50, under special authority from director.....	48 00
523.	G. & W. Snook, repairs in melters' and refiners' department between 2d and 14th November.....	164 87
524.	Farmer, Chase & Co., acids \$1,467 77, furnished between November 1st and November 16th, with a credit of \$1,067 16 for nitrate of soda. As this is one of the principal items of expense embraced in the accounts of Mr. Lott, it is proper to state that up to the 31st of January, 1856, the nitric acids furnished by Farmer, Chase & Co., from February 28, 1855, amounting to \$46,273 94, were subject to a deduction for nitrate of soda furnished by government. The total credit during that period was \$17,360 21, leaving a balance paid for by the superintendent of \$28,913 63. After the 31st of January, 1856, there was no deduction for nitrate of soda, Farmer, Chase & Co. having made a contract under which they supplied all their own material. Sulphur was also furnished by government up to that date, and sulphuric acid was received in exchange. From February 15, 1856, to June 14th, Farmer, Chase & Co. furnished nitric acid to the amount of \$39,772 13, and sulphuric acid \$3,260 28, making an aggregate of \$43,032 41; subject to no deduction for material furnished, and all paid for by the superintendent. This would make a very important item in a comparison of the relative expenses as they appear in the accounts. From December 31, 1854, to March 31, 1855, the	

sulphuric acid, amounting to \$1,464; after which Maher & Landis and Farmer, Chase & Co. made the arrangement referred to, by which they received sulphuric in exchange.

535. Edwin Bell, printing mint receipts for treasurer, consisting of fifteen books bound and lettered, each book containing 1,000 receipts, \$14 per book; not an extraordinary price in San Francisco for work of that particular kind.....	\$210 00
526. H. Steele, iron and steel implements for coiner, furnished between October 27 and November 14.....	49 90
527. H. Steele, iron and iron plates for assayer, between October 27 and November 14.....	23 80
528. J. H. Breeden, buckets, pails, &c., October 10 and November 2.....	22 13
529. Richards & Brother, 31 tons coal, purchased prior to November 16.....	640 96
530. Richards & Brother, 94 tons coal, purchased prior to November 16.....	1,927 00
The article of coal is a very large item, and the price varies in the market from \$20 to \$30. The average price within the last two years has been \$22 50 a \$27, as I know from inquiry in the market. It is generally sold in short tons of 2,000 pounds; but the branch mint has always insisted on the long ton of 2,240 pounds. By laying in supplies by wholesale, whenever a purchase can be made at the lowest rate, and when there is a reasonable probability of a rise in coal, it is a well established fact that in this article above from \$2 to \$5 a ton has been saved, the coal being stored in advance of every scarcity in market.	
531. Hennel & Bowden, charcoal, furnished between October 24 and November 23; used day by day, and only a small advance kept on hand.....	536 00
532. Alsop & Co., freight on copper, bricks, and acids, shipped by director of mint per Sirocco.....	1,205 74
533. F. H. Selby & Co., copper, furnished October 18, and used immediately.....	199 10
534. E. G. Hall, stationery for coiner, used in drafting plans, &c., for the use of Treasury Department, between May 12 and September 17.....	35 63
535. John Grant, soapstone, shelves, and cutting prior to November 22.....	30 00
536. John Knapps, empty barrels and carboys—19 barrels, 3 carboys. The price for barrels is high, but they have to be selected oil barrels, very substantial and clean, for "sweeps." The carboys are required in the mint, and the price is less than the market rate.	
537. M. Solomon, window lights.....	11 00

538. John Kittredge, work done in coiners' department September 5 and 6—cutting door, iron frame, pulleys, &c. This is an expensive kind of work, and the coiner states that the price is as low as it could possibly be done.....	\$128 33
539. L. W. Sawyer, cast-steel stabe in laboratory.....	40 00
540. Hussey, Bond & Hale, borax, furnished 6th November; about half used before 16th November....	225 00
This is an expensive item, and the price depends upon the supply in market, ranging from 50 to 100 per cent. Supplies are sometimes from Marysville and the interior towns when the prices asked in San Francisco are excessive.	
541. J. & P. Donahue, large letter press, in treasurer's office.....	25 00
542. J. Gough, labor at warehouse, removing acids shipped from New York and stored.....	91 00
543. J. Knapp, labor at warehouse, removing acids from store to Union street warehouse.....	54 00
In reference to these two items it is proper to explain that in order to save the storage which the late superintendent was paying on acids, Mr. Lott, upon consultation with the collector, undertook to store the acids in the Union street warehouse, which was under rent by government, and unoccupied. To this the owners objected, on account of their policy of insurance, and the acids were immediately removed. The removal to and the warehouse embraced all the heavy mint supplies, and was somewhat expensive. As soon as I heard of the proposed arrangement, I notified the collector and superintendent that the contract with Eldredge would not permit the government to vitiate the policy of insurance, and the withdrawal was promptly made.	
544. Vander Mersch, cupels. (See voucher 522.).....	72 00
545. Grotzan & Company, beeswax.....	12 30
546. F. Ramdoler, cupels, 2,600 lbs., November 5, 1855.....	139 00
547. John Knapp, storage of acids and extra labor in removal of same for the month of November.....	232 75
A contract was made by Mr. Birdsall with one Lee, an operative in the mint for the storage of acids; upon ascertaining the fact, I notified Mr. Birdsall that such a connexion must not exist, and Lee was forced to sell out to Knapp, who rented a building and stored the acids on his own account; subsequently bids were received, but when the present superintendent was appointed it was considered cheaper to build a temporary warehouse for this purpose, as well as for the storage of coal	

and other heavy articles. The cost then was one dollar per ton per month. The entire cost now is but a small fraction of that amount, being only for the original outlay for lumber and work and the rent of two lots. This was not done under special authority, but was considered proper as a means of saving this extravagant charge for storage.

248. Mary Roez, making 57 furnace gloves at one dollar a pair, from 1st to 30th November, 33 pair used prior to November 16.....	\$57 00
These are absolutely necessary for the protection of the hands of operatives who work the hot metals and handle the implements used in the melting room. They are thick padded gloves, coarsely made, and are high at one dollar.	
549. Farmer, Chase & Company, acids \$2,668 89 credit for nitrate of soda a \$1,099 60.—(See remarks on voucher 524.).....	1,569 29
550. J. H. Breeden, lamps, brooms, candles, &c., usual price.....	35 30
551. J. N. Bailey, cartage, November 1 to 30, chiefly for hauling acids from wharf to warehouse	46 25
552. J. N. Baily, cartage of salt, from November 2 to November 27.....	14 50
Price of above two items moderate.	
553. Hennel & Bowden, charcoal	91 00
These current supplies, used in assayer's department, require no remark.	
554. Pay roll from November 1 to November 30, inclusive. One half of this is properly chargeable to late superintendent.....	11,081 42
Explanatory statement in reference to wages and number of operatives will be given under their heads.	
555. G. B. Post & Co., salt. This article is purchased at the lowest market price. It will be cheaper in future, owing to a different arrangement for the supply.....	183 13
556. C. Hoyer, making and repairing coin bags for treasurer.....	27 50
557. C. Wannerbolt, assistant, acids, December 1, \$17; pure nitric acid from 1st to 30th November, \$710...	727 00
In the expensive item of pure nitric acids for the assayer's department a great saving has been effected. The price paid, as above, was \$1 per pound, which was the usual rate at that time. Mr. Lott put out bids for cupels, nitric acid, &c., and, under authority of director, made a contract for supplies at the following rates: nitric acid, 62½ cents per pound; cupels, \$22 50 per thou-	

sand; distilled water, 30 cents per gallon. He has further reduced the price of pure nitric acid to 55 cents, and cupels to \$18.

559. John Nonen, washing towels, &c., for month of November. This is a poor old man who does the necessary washing about the mint, and who is paid no more than his labor is worth \$12 00
560. F. Taylabree, repairing assay scale..... 25 00

In all work of this kind the prices charged are high. The work is of a very delicate character, and only particular persons can do it properly, so that they sometimes receive very large compensation.

561. Schmolz, thermometer, glass weights, &c..... 18 50
562. G. & W. Snook, stone, piping, &c 46 65
563. H. A. McGafferty, water during the month of November for drinking. The artesian water supplied by the wells is unfit to drink, and the water for that purpose has to be supplied from other sources 22 50
564. Session Smith, wood and coke from October 19 to November 30 238 50

The price of wood in market is from \$7 to \$8. The prices charged in this voucher is \$14. The difference arises from the fact that the wood used by the melter and refiner must be perfectly straight, and of the most select quality. It was subsequently reduced to \$12 per cord, which is as low as selected wood can be purchased for in San Francisco. It is probable, however, that something may be saved in this item by a contract for supplies.

565. Cook & Coffner, mason work, &c., done in annealing room from August 11 to October 1..... 49 75
- 566 Cook & Coffner, mason work in assay office, repairing furnaces, &c., from October 6 to November 17 110 40
567. Cook & Coffner, mason work in melter and refiner's department between September 22 and September 26 149 00

Of the above prices I am not prepared to express an opinion, but am assured by the officers concerned that the work could not be properly done for less.

568. N. W. Ice Co., for ice from 1st to 30th November This is an article of considerable expense, and would appear to be extravagantly used. Owing to the crowded condition of the mint, however, the want of ventilation and intense heat of the furnaces, and melting and assayer's room, it would be impossible for the workmen to exist without iced water, which they drink in great quantities. 82 81

569. William Tuckman, pure nitric acid and distilled water, furnished from 1st to 30th of November, at

\$1 per pound for acids, and 37½ cents per gallon for distilled water. Prices subsequently reduced to 55 cents for acids, and 30 cents for distilled water. See voucher No. 557, with explanatory statement.		\$526 00
570. William Schmolz, hydrometer		15 50
571. T. H. Selby, copper.....		189 50
572. S. F. Gas Co., gas for month of November. The building is lighted with gas, and this is the fixed price of the gas company.....		45 60
574. J. N. Bailey, cartage of acids into Union street warehouse		59 75
See remarks on voucher No. 543.		
575. William Schmolz, repairing scales.....		25 00
576. Freeman & Co., express freight on box of dies sent from Philadelphia		19 90
577. John Knapp, lumber, building warehouse for acids, &c. See remarks on voucher No. 543.		
578. John Taylor, glass bottles, stone jars, &c., delivered between October 13 and December 3, necessary in assayer's department.....		16 75
579. Folsom & Maury, set of grate bars for assay furnaces, price as low as the assayer could obtain suitable grates for.....		20 00
580. N. Mentz & Co., bottle holders		10 50
581. Gotzchalk & Co., pure nitric acid, from November 15 to December 13.—(See remarks on voucher 557.)		382 60
582. Gotzchalk & Co., chloride of lime and distilled water, from 10th to 24th.—(See voucher 557.)		21 00
583. J. H. Breeden, nails, candles, dust brushes, &c., candles were high in market at this date, the prices fluctuate, according to supply.....		18 75
584. Samuel Webb, stationery for coiner between October 18 and October 13, used chiefly in plans for enlargement of mint		14 00
585. N. R. Davis & Co., iron column in press-room, necessary to support ceiling, the furnaces being overhead.....		21 00
586. E. H. Pacey, cartage of materials and acids to Union street warehouse.—(See Nos. 5, 4, 3)		156 00
587. Soule & Page, lumber for making paddles, &c., furnished October 25		12 28
588. Freeman & Co., express freight per Sonora.....		35 20
589. D. L. Ross & Co., freight per Golden West, on large scales		29 14
590. John Knapp, 11 large iron-bound barrels, at \$3, price now paid \$2 50		33 00
591. Gardiner Elliott, carpentering from July 17 to October 14, 1854, making counter, screens, &c.....		123 05
592. Gardiner Elliott, carpentering and lumber from June 21 to October 7.....		230 47

593. Gardiner Elliott, carpentering and lumber, September 12, 1855, building platform and steps leading to roof.....	\$28 80
594. Gardner Elliott, making case rack, lumber, &c....	33 75
595. Gardiner Elliott, making hood to furnace, furnishing lumber, &c.	40 60
These are special jobs for which \$6 per day is paid, the carpenter furnishing the lumber. The very best material is required, but I consider the price higher than the market rate, and have recommended a different mode of compensation, by which the wages and the purchase of lumber shall be separate considerations, open to free competition. None but an experienced carpenter acquainted with the nature of mint work would be desirable, but he should not be allowed wages and profits on materials furnished.	
596. J. H. Breeden, candles, price reduced at this date..	30 00
597. J. H. Breeden, nitre, sulphur, chalk, &c.....	11 50
597. William S. Botts, laying floor in refinery, asphaltum, necessary in consequence of bursting of acid vat, and to prevent injury to the building in future.	530 00
599. Pay roll for month of December.....	11,934 33
600. Pay roll of officers and clerks for quarter.—(See voucher No. 554)	8,125 00
601. Petty expenses of treasurer of mint during the quarter ending December 31, 1855	338 79

This closes the quarter ending December 31, 1855.

It will be seen that comparatively few of the bargains for supplies were made by the present superintendent, and that in all cases where the market would admit of reductions they were made. In reference to the 1st and 2d quarters of 1856, it will scarcely be necessary to refer to every voucher in detail. They are all forwarded with the accounts, and may be examined at the department in reference to any point at issue. For the current supplies of material used in the assayer's, coiner's, and refiner's departments, they are in the usual ratio, and at the regular market prices. The heavy items of coal, iron, foundry work, &c., are obtained by bids; each officer in charge of the above branches makes his requisition upon the superintendent for what he requires, and it is not always practicable to determine upon the absolute necessity of the expenditure thus incurred, except upon the representation of the officer in charge. The superintendent makes an examination in connexion with the officer who makes the requisition, and sees that the material or labor is absolutely furnished at the fair

market value, and appropriated to the purpose represented. There is some room for abuse in this respect, but these are commissioned officers under bonds, and it is impossible to avoid allowing them some discretionary powers in the management of their respective branches. Under the head of ordinary expenses, I propose to pass over all vouchers which may be explained as above, noting only those to which it may be necessary to call the attention of the department.

1ST QUARTER 1856.

January 1, 1856. Voucher Nos. 1, 2, 3. Ordinary.

4. Placer Times and Transcript. Printing 10,000 mint memorandums, notice of closing of mint. The items of advertising and printing having attracted the attention of the department, I have made inquiry on the subject, and consider that a reduction in these expenses, corresponding with similar reductions in the custom-house, can be made. In reference, however, to the number of papers in which the advertisements are printed, this could not well be avoided in a place like San Francisco, where every newspaper has its peculiar clique of supporters, many of whom never read a rival paper. A large number of depositors are French and Germans, who do not read any but the papers published in their own language. It is not desirable that the mint should place itself in a hostile attitude towards any particular clique by favoring another; hence each advertisement appears in all the prominent papers. Nor are the notices usually of such a character that any paper here would agree to publish them as matters of news. Unless they receive a share of patronage for which payment is made they will not publish notices of any kind. The convenience of the public in this respect does not appear to be a distinctive feature in which the mint has no concern, but rather identical with all its operations. I would recommend a reduction of twenty per cent. upon all the bills for printing.
5. H. M. Wetmore. Storage on acids. This is for 93 carboys of nitric acid furnished by Mr. Kalbflesh. Upon several assays, as reported to the department, it was found to contain muriatic acid, and was reported unfit for use, or subject to a deduction for precipitation. It was afterwards accepted upon certain conditions. Mr. Wetmore stored it in the meantime, and this voucher is his bill for storage.

6. Ordinary.

7. J. R. Whitman, mill-wrighting, 33 days, at \$7 per day. Putting up shafting and machinery in coiners' department during annual settlement of December. Several heavy expenses of this kind were incurred during that month. There was a general refitting and re-arrangement of the machinery, found necessary from the crowded condition of the different departments and the great inconvenience in all the operations, as already reported to the department in the recommendations made for the enlargement of the mint. The item of mill-wrighting forms a very considerable portion of the expense, and as this has given rise to inquiry, I have deemed it proper to request full explanations from the coiner, who has charge of the machinery. Mr. McNamee, the mill-wright, whose name appears on the pay-roll as a regular employé, met with a severe accident in the performance of his duty, and was unable to do the heavy work of mill-wrighting during the settlement. He was therefore transferred to the refinery, where he runs the hydraulic press and aids in other work for which he is peculiarly fitted. The regular carpenter at this time is Mr. King, but he is not a mill-wright, nor is it practicable to unite the two trades. The charge of \$7 a day is not extravagant for an experienced and reliable mill-wright, such as must be employed on mint machinery, which is necessarily of the highest class of labor.

8 to 25, inclusive. Ordinary expenses.

26. Sutter Iron Works, foundry work done October 20	\$30 40
Applications were made at the different foundries for the particular kind of work required, and it is alleged that it is always procured at the lowest market rate.	

27. S. F. Gas Company, bill of coke from August 2 to November 24.....	110 00
Most of the above was furnished and consumed prior to November 16.	

28 to 32, inclusive. Ordinary expenses.

33. Vulcan Iron Foundry, work done November 5.....	43 50
--	-------

34. " " " " " September 29 to November 7.....	263 85
---	--------

35. Vulcan Iron Foundry, work done August 31.....	17 00
---	-------

36. " " " " " September 6.....	32 35
--------------------------------	-------

37. " " " " " September 6 to October 31.....	219 65
--	--------

38. Vulcan Iron Foundry—work done September 6, (machine for cutting off ingots,).....	\$268 50
The above items, all prior to November, were upon the requisition of different officers, viz: assayer, coiner, melter, and refiner, in whose departments the work was alleged to be absolutely necessary.	
39. Hydrostatic press.....	1,792 00
Contracted for in August or September. Erected December 27th.	
This is a very important item in the internal economy of the mint. Up to the date of the erection of the hydraulic press a screw press was in use, which required the labor of six men to do the work now performed by the hydraulic press attended by two men. These persons were not specially hired for that purpose, but were detailed from other necessary work, and so much of their time as was consumed in working the screw press was generally added to their other labors in the form of extra time, for which they received compensation. The advantage of a hydraulic press is well appreciated in every manufactory where great force with a small expenditure of labor is desired. In the mint the advantage is not solely in this respect, but in the saving of gold and silver, which are pressed harder and subject to a decreased rate of loss.	
40. An iron shaft.....	91 00
41. Maine & Winchester—leather pads, bought November 7th.....	11 00
42, 43. Ordinary.	
44. Iron work for annealing furnaces during settlement in December.....	262 00
45 to 54, inclusive. Ordinary.	
55. Cook & Coffner—brick work of annealing furnace during settlement in December, 1855, and putting up furnaces in coiner's department.....	407 40
56. Smoke-stack for melter's and refiner's department	810 00
57. Taking down and rebuilding furnaces for assayer	234 00
These are all heavy items, incurred during the settlement, in fitting up the mint for its operations during the ensuing year.	
58. W. H. Grattan—nails, spikes, &c., for melter and refiner, from August 23 to December 20, 1855.....	16 51
59. Ditto—assayer, August 22, to October 24, 1855...	16 75
60, 61. Ordinary.	
62. R. W. Gunn, for tubs, casks, &c., from August 29, 1855, to December 24.....	65 50
63. Ordinary.	
64, 65, 66, 67. Books for different branches of the institution. The supply furnished by the Philadelphia	

mint had been expended, and it became necessary to purchase new articles of stationery. Le Count & Strong, who furnished stationery for the branch mint, it was discovered, charged higher than other stationers, and the further purchases were made where stationery could be obtained cheapest.

68. Advertising.—(See remarks on voucher No. 4.)

69. J. & P. Donehue, iron work done during settlement in December, 8,000 pounds drying pans, at 8 cents per pound 940 19

A very heavy item of expense, and not unreasonable at 8 cents. Messrs. Donehue bid lower for this work than two other iron dealers, and their bid was accepted.

70. L. P. Fisher, advertising in different country papers.—(See voucher No. 4) 23 00

71. Ordinary.

72. Henry Johnson & Co., drugs for assayer's department, from October 16 to December 24, 1855 11 75

In California the variety of drugs kept by dealers is not so great as in the Atlantic States, and the price depends almost entirely on the scarcity or abundance of the articles required. The assayer states that he frequently finds it difficult to procure the exact quality of material used in his operations.

73. Mr. Heyform, cartage and cleaning street, from October 16 to December 31, 1855..... 119 50

It might naturally be inquired why the mint should pay for cleaning the streets and carting away the rubbish; the reports transmitted to the department, recommending the purchase of one or more adjoining lots and an enlargement of the building, will fully explain the necessity of this expenditure. All the supplies of coal, acids, &c., are landed on the sidewalk in Commercial street, and must be unpacked (where packages are used) and carried or shoveled in as rapidly as possible; there is no alley-way or other mode of ingress or exit; the ashes and other rubbish from the mint must be thrown out, and the sweeps packed and carried to the warehouse. The laborers on the pay-roll are engaged upon other duties. The city ordinances prohibit nuisances in the streets under certain penalties, which would be very expensive if paid every day. At best, the street in front of the mint is littered with rubbish from morning till night, in consequence of there being no convenient place for the loading and unloading of carts and drays. Heyform is a man whom the neighbors pay, according to their respective

fronts, a certain compensation, in which the mint joins. For the cartage he is paid \$1 25 a load, but in this is included the labor of carrying out of the mint the ashes and rubbish from the boiler furnaces, which he takes away.

74, 75. E. Crowell & Co., drugs for melter and refiner, and assayer, from October 15 to December 8.—(See voucher 72).....

\$34 37

76. A. Snyder, building weigh-room and material for same.....

783 50

In reply to the inquiry of the department relative to Mr. Snyder, it is proper to state that he is in no way connected with the assistant treasurer, J. R. Snyder, who informs me that he does not even know him.

Included in this bill is the shelving, lumber, &c.

Mr. Snyder was the lowest of three bidders, viz: Howard & Miller, Gardner Elliott, and A. Snyder.

In reference to the necessity of the new weigh-room, I can only refer the department to copy (A) of a letter from the assayer to the superintendent, in which he fully explains the condition of the assay department, and shows that such an addition is in his opinion indispensable. At the time the addition was contemplated, Mr. Lott and Mr. Wiegand conferred with me on the subject, and although I saw the inconvenience under which the assayer was laboring, I refused to sanction or recommend any expenditure of money which did not appear to me actually indispensable, and advised them not to make the change until authority could be obtained from the director of the mint. Having made other recommendations for a general enlargement of the mint, which would include a weigh-room, I deemed it unnecessary to report on this subject. Although I cannot now admit the propriety of making any addition without authority, it is but fair to say that the former weigh-room was exceedingly inconvenient, and was so situated (over the heavy machinery) that accurate weighing would be almost impracticable, owing to the jar of that part of the building.

77. A. Austin & Co., muslin, May 28, 1855.....

16 18

78. Ordinary.

79. Gardner Elliott, building cistern on roof, separating houses, reducing vats, ventilations, &c., during settlement in December.....

2,007 03

The necessity of this expenditure was fully represented to the superintendent by the melter and refiner. Of the price paid, I can only repeat that in my opinion the carpenter should not receive

wages, and be permitted to furnish lumber and other material.

80. Gardner Elliott, putting up partition in superintendent's office to make room for two clerks..... \$80 00

81. Gardner Elliott, making counter and case in treasurer's office for new scales 307 36

In reference to the above two items, I have examined the work and am satisfied it was necessary.

For remarks as to price, see vouchers 591, 592, 593, 594, 595, and 79.

82. E. Crowell & Co., drugs for coiner from October 13 to December 15.—(See voucher No. 72, remarks.)

83. Ordinary.

84. Farmer, Chase & Co., acids..... 1,987 50
(See remarks in voucher 524.)

85. Frank Baker, oilcloth and matting in receiving room 126 00

In the coiner's and melter's and refiner's rooms carpets are required to catch the gold dust. These carpets are burnt once or twice a year, and a considerable quantity of gold extracted. The receiving room is that in which the main business with depositors and others is conducted, and is generally crowded during business hours. In this room the best oilcloth is necessary.

86. Carpet for coiner.—(See above remarks, voucher 85.) 112 00
87 to 91. Ordinary.

92. J. McGlashen & Co., stationery from October 11, 1855, to January 11, 1856, in general department. 279 63

93. J. McGlashen & Co., stationery for melter and refiner.—(See remarks No. 67)..... 20 50

94. Ordinary.

95. Walter M. Rockwell, fastenings, handles, &c., for melter and refiner, from October 25 to November 14. 32 75

96 to 103. Ordinary.

104. W. H. Grattan, hardware..... 13 00

105. Do..... 15 38

From August 3, 1855, to December 8, 1855.

106. Ordinary.

107. J. N. Bailey, carting from Union street warehouse to new warehouse, sweeps, acids, salt, charcoal, lead, &c.—(See voucher No. 543 and 547 for remarks).... 192 00

108 to 111. Ordinary.

112. Session Smith, selected wood, at \$13 a cord.—(See voucher No 564)..... 85 00

113. Farwell & Curtis, tallow scrapers, &c., for coiner, from October 12, 1855, to December 31, 1855..... 17 90

114. Farwell & Curtis, tallow scrapers, &c., for melter and refiner, from October 12, 1855, to December 31, 1855..... 99 00

115 and 116. Ordinary.

- 117 and 118. Pure nitric acids.—(See voucher No. 557.)
- 119 and 120. Ordinary.
121. Farmer, Chase & Co., acids.—(See No. 524)..... \$1,277 40
122. J. Goff, lumber, and building a warehouse for storage..... 487 96
- This is a shed or building, in addition to one already referred to, for the storage of coal and other supplies for which there was not room in the storehouse previously built for the storage of acids.—(See vouchers No. 543 and 547.) It was built under the personal superintendence of Mr. Lott, who states that he could not get it done for less than the amount charged.
- 123 to 126. Ordinary.
127. Freeman & Co., freight on porcelain pots from Germany, ordered by director..... 240 00
- 128 to 131. Ordinary.
132. Pay-roll for January.—(See No. 554)..... 13,135 55
133. Ordinary.
134. G. W. Kinzer, 88 tons 1,467 lbs. coal, at \$21..... 1,861 75
- Price lower than average market rate.
135. 1 month's rent for lot upon which warehouse on Hampden street is built..... 25 00
136. 2 month's rent for lot on Third street..... 50 00
- Rent of these two lots moderate.
137. Ordinary.
138. J. C. Cabanis, 150 tons coal, at \$22 per ton. 3,300 00
- There was an anticipated rise in coal, and it was thought expedient to store a cargo in advance.
139. Ordinary.
- 140, 141, 142, 143. Vulcan Foundry Co., for iron work in different branches of the building during the refitting in December, \$220 28, \$312 84, \$268 99, \$50 45..... 852 56
- (See remarks on other bills of a similar character.)
- 144 to 159. Ordinary.
160. J. Whitman, millwrighting.—(See voucher No. 7) 217 00
- 161 and 162. Ordinary.
163. Jacob P. Lesse, \$100—for quit claim deed to lot upon which the mint is built..... 100 00
- See letter of superintendent to Secretary of the Treasury, February 20, 1856. As to the necessity of this expenditure, there is now no title to the mint on record here, except the above quit claim deed; and it was thought by all or nearly all the private property owners who held property under the same title as the government, (viz: Young, Boyd, and others adjoining the mint,) that Lesse could give them a great deal of trouble in a law-suit, although he has not the shadow of a claim. J. R. Snyder, assistant

treasurer, also owns property under the same title, and deemed it expedient to pay Lesse a similar sum, \$100, for a quit claim. This was done upon consultation with their respective attorneys. The superintendent thought it prudent to follow their example, believing that private property owners would not expend money on their own account, unless for good and sufficient cause.

164 to 169. Ordinary.

170. San Francisco Gas Company—putting up metre and entering pipes for gas, February, 1855, certified by Mr. Bidsall.....	\$34 05
171. Gardner Elliott—putting up hand-rail on passage way, November 5.....	22 50
172. Gardner Elliott—carpentering from September 20 to October 19.....	79 25
173. Gardner Elliott—carpentering for assayer.....	25 75
174. Gardner Elliott—building dressing room for men on top of the mint.....	185 87

The items for carpentering, as above, were all incurred in the different departments upon an alleged necessity.—(See remarks on Nos. 595 and 597.)

175. E. S. Spear—chair for adjusting department.....	47 75
--	-------

176 to 204. Ordinary.

205. Insurance on sweeps of past year, shipped to New York under special orders of director, with directions to have them insured.....	750 00
--	--------

206. Ordinary.

207. A. J. Taylor—two navy pistols for watchman....	54 00
---	-------

This was during the excitement consequent upon the organization of the vigilance committee, when it was apprehended that in the event of a collision between the State authorities and that body an attempt would be made to rob the mint.

209 to 211. Ordinary.

212. Gardner Elliott—carpentering, lumber, &c.; making tank cistern on roof.....	372 05
213. Gardner Elliott—making twelve coin boxes.....	46 25
214. Gardner Elliott—carpentering in coiner's department, making one dozen boxes; blacksmith work, material; altering a window; October 4 to November 19, certified by coiner.....	74 42
215. Gardner Elliott—repairing hoist-way.....	38 80

Part of this work was done in October, and part during the settlement. The price for coin boxes appears high, but they are made of the best material, dovetailed and bound, with handles, &c.—(See No. 174.)

216 to 222. Ordinary.

223. William T. Coleman—freight on crucibles.....	\$455 32
224 to 228. Ordinary.	
229. Farmer, Chase & Co.—acids. (See No. 524).....	4,482 28
230 to 238. Ordinary.	
239. Vulcan foundry, work on hydraulic press.....	399 13
(See voucher No. 39.)	
540 to 243. Ordinary.	
244. H. M. Whitmore, for stone carboys.....	534 50
The superintendent informs me that the contract with Mr. Kalbflesh provides that the carboys shall be paid for or returned. As these are found necessary in the mint for separating pots, it was considered cheaper to pay for them than to purchase separating pots in market or have them made or shipped.	
245 to 247. Ordinary.	
248. G. B. Post & Co., salt delivered at the dock, duty free, at \$30 per ton.....	6,664 04
In this item there is a saving of \$5 per ton. The salt was bought by contract from the Sandwich Islands, and at the date of delivery was worth \$40 per ton in market.	
249. Ordinary.	
250. Cartage on salt to warehouse.....	185 96
251. B. Baldwin, two weigh-books, at \$35 each.....	70 00
As the department takes exceptions to this item, I examined the books with particular care, and have to state that they are of large size, with printed headings, lined, &c., and heavily bound. They were ordered for the use of the treasurer, by whom the bill is certified. The books furnished by the Philadelphia mint had been used up, and it was necessary to have weigh-books. The price is doubtless high, owing to the extravagant charges made for articles of this kind when printed and bound to order. I am of opinion that the books could have been procured for less; but have no data upon which to fix a reasonable price. Everything of this kind depends almost wholly upon the degree of personal energy with which economical bargains are made.	
252 to 255. Ordinary.	
255. J. R. Snyder, treasurer of mint, petty expenses for quarter ending 31st March, 1856.....	621 09
All the vouchers for expenditures in the treasurer's office are duly certified by him, and will be examined in detail as soon as I can make a thorough investigation of the condition of his department. This is the end of the 1st quarter. It will be seen that the heaviest of the expenses were incurred during the annual settlement in refitting and pre-	

paring the mint for its operations during the ensuing year. There are also large items for freight and other expenses not incurred by the superintendent. During the next quarter ending 30th June, 1856, there was a large increase of coinage, and a corresponding necessity for increased labor and material.

Second quarter 1856.

257 to 263. Ordinary.	
264. Le Count & Strong, drawing and tracing paper for coiner from July 27 to September 25, 1855, used in draughting plans of enlargement for the department.	
265 to 287. Ordinary.	
288. Bill of freight.....	\$637 89
289. Ordinary.	
290. Bill of freight.....	294 69
291 to 297. Ordinary.....	
298. G. W. Kinzer, 79 tons 812 pounds of coal, at \$21	1,666 61
299 to 323. Ordinary.	
324 and 325. Adams & Co., for bill of freight in 1854 and 1855, suspended by Bidsall for certificate of director as to correctness of prices, \$34 50, \$522 87	557 37
326. Ordinary.	
327, 328, 329, 330. Pay roll.—(See voucher 554.)	
331 to 363. Ordinary.	
364. Gardner Elliott, building separating house and large cistern on roof, lumber, &c.....	728 72
<p>The separating houses, which form so large an item of expense, have to be rebuilt about every six weeks. They must be of the best clear pine, such as is used by cabinet-makers: where so large an amount of work is done by one person it is obvious, however, that there is room for large profits. I consider the price paid for these separating houses exorbitant, and that better terms could be made by contract with other mechanics. The officers of the mint allege that it is a particular kind of work, requiring peculiar skill and knowledge of the business; but, after a full hearing of all the reasons as to the fairness of the price, I have to recommend that a contract be made for the building of these separating houses, and that the items of material and labor be separated, and obtained of different persons, if the material is purchased by the superintendent, or included in the bid if taken as a whole.—(See 595.)</p>	
365 to 376. Ordinary.	

377. John Roach, making gold cyphons..... \$300 00
 This was done under official instructions of the director of the mint. It was submitted to him before made and authority obtained. The work was given out by contract to the lowest bidder.
- 378 to 386. Ordinary.
387. A. J. Platt, 1 revolver, purchased at the time of the vigilance movement, when an increased number of watchmen was deemed necessary for the protection of the mint.
- 389 to 393. Ordinary.
395. Extra watchmen.—(See 207.)
 It may be well further to explain in reference to the employment of extra watchmen at this period, that there was very strong reason to apprehend a collision between the Vigilance Committee and the State authorities. Both the collector and myself, feeling apprehensive as to the safety of public property and treasure, united in an application to General Wool to place within reach a sufficient body of men to guard the public buildings. See copy of letter on that subject transmitted to department by the collector. I do not believe that either of the two parties at issue had any intention, as a body, of taking possession of the public treasure, but there were idlers enough in the city, and bad men enough in both parties to make any collision a pretext for robbery. So general was the belief in this, that it became a matter of comment in the public newspapers. The superintendent of the mint did not deem it expedient to place an armed force in the mint, but he deemed it a necessary precaution to make a temporary increase of the night-watch.
- 397 to 399. Ordinary.
400. H. Buckner, employed during a great pressure of business, as fireman to relieve the regular fireman, who was worn out by excessive fatigue.
401. Ordinary.
402. Extra watchmen.—(See 396).
403. Ordinary.
- 404 to 407. Pay-rolls.—(See remarks on former pay-rolls.)
- 408 to 411. Ordinary.
412. Extra watchmen.—(See 396.)
- 413 to 418. Ordinary.
419. Freight..... 100 88
- 420 to 429. Ordinary.
- End of 2d quarter, June 30, 1856.
- In order to determine how far these expenditures are warranted by the amount of business done in

the mint, I have caused to be prepared from the books the following statement :

Total coinage of the United States branch mint from commencement to June 30, 1856 :

1854.—2d quarter.....	\$2,977,030 42	
3d quarter.....	4,133,354 36	
4th quarter.....	2,604,973 65	
	<hr/>	\$9,715,358 43
1855.—1st quarter.....	\$4,357,628 82	
2d quarter.....	4,580,285 42	
3d quarter.....	7,548,511 62	
4th quarter.....	4,636,285 57	
	<hr/>	21,122,711 43
1856.—1st quarter.....	\$6,046,449 54	
2d quarter.....	11,813,157 71	
	<hr/>	17,859,607 25

Taking the 2d and 3d quarters of 1855, being the next succeeding the settlement, when the amount of coinage was largest, the result is as follows :

2d quarter, 1855.....	\$4,580,285 42	
3d quarter, 1855.....	7,548,511 62	
	<hr/>	12,128,797 04

The expenses during these two quarters for wages of workmen, and incidental and contingent expenses, were :

2d quarter, 1855.....	\$50,838 91	
3d quarter, 1855.....	79,216 32	
	<hr/>	130,055 23

(This does not include the salaries of officers and clerks, which are paid by law.) In 1856, the coinage and expenses were :

1856.—Coinage, 1st quarter.....	\$6,046,449 54	
Coinage, 2d quarter.....	11,813,157 71	
	<hr/>	17,859,607 25

Expenses for wages of workmen, and contingent and incidental expenses :

1st quarter.....	\$98,770 65	
2d quarter.....	100,094 24	
	<hr/>	198,864 89

Recapitulation.

Two quarters 1855—Expenses	\$130,055 23 ;	Coinage	\$12,128,797 04
Two quarters 1856—Expenses	198,864 89 ;	Coinage	17,859,607 25
	<hr/>		<hr/>
Increase	68,809 66		5,730,810 21

Showing an increase in expenses of about $52\frac{1}{8}$ per cent., and an increase in coinage of about $47\frac{1}{4}$ per cent., the difference in the ratio of gain in the increased amount of coinage not being included.

The above statement of expenses for the 2d and 3d quarters of 1855, as compared with the statement of the Register of the Treasury, requires explanation.

Register's statement, 2d quarter.....	\$53,420 12
Register's statement, 3d quarter.....	66,388 67
	<hr/>
	119,808 79
To this is added \$10,000 paid to Collector Hammond, for money advanced to the mint.....	129,808 79
Discrepancy.....	246 44
	<hr/>
	130,054 23
	<hr/>

It is also proper to explain that the statement of expenses, &c., for the second quarter of 1856 includes the pay-roll for June, \$17,449 50, not yet paid. This increase in the expenses, for wages of workmen and contingent and incidental expenses, is explained in the foregoing statements accompanying the abstract of vouchers.

Wages and number of workmen.

On this subject it is proper that the department should be fully advised as to the precise nature of the work upon which the compensation depends, and the causes which have operated in keeping up the rates of wages in the mint, while there has been a gradual reduction in other branches of the public service.

In the custom-house labor of all kinds is comparatively light and easy; there is no draught upon health or risk of life; no peculiar skill is required to perform the duties; men of ordinary intelligence and good character can fill any of the offices with credit. In the mint, owing to the crowded state of every branch, especially the refinery and melting rooms, the operatives are subject to the greatest possible inconveniences.

The firemen, melters, cellarmen, &c., are subject to such extreme rigors of heat and draught upon health and eyesight, that it is scarcely credible how men can be procured to perform the duties at all for any compensation whatever. In other mints visited by the undersigned, ample accommodation is provided for this class of operatives; and by means of ventilation and otherwise, their labors are rendered comparatively healthful and easy.

The workmen here are all, or nearly all, men of families, of some peculiar skill in the business allotted to them, of highly respectable character, industrious and faithful; such a class of operatives, in short, as always command the highest rate of wages. The same may be said of most of the operatives in the mint; a large proportion of whom have acquired a thorough knowledge of their business by long experience, and who might not improperly be classed as experts. In some respects the coinage of money may be considered a peculiar trade,

which must be learned by a species of apprenticeship. Constant or repeated changes, with the fluctuations of outside labor, would be injurious to the public interests; and it is always good economy, where large amounts of treasure are constantly in the hands of workmen, to employ the best and most reliable men, even at an advance upon the prevailing rate of wages. This is the case in all extensive banking establishment, where wages are much higher, as a general rule, than in manufacturing or mercantile establishments. For these reasons it was not deemed expedient by the superintendent to reduce the rates of compensation for labor in the mint; but conceiving the views of the department to be based upon just grounds, I have recommended and caused a reduction to be made. There must be a proportionate decrease, where all the expenses of living are reduced, in the value of labor of all kinds, even where the business is of an exclusive or peculiar character; and although labor in the custom-house may not be worth so much as labor in the mint, they must bear some correspondence.

In regard to the number of workmen employed, it is not really so great as would appear from the pay roll, owing to a deficiency of clerks, whose services were rendered necessary by the increase of business, and for whose employment no provision is made by law. Several persons who appear on the pay roll as laborers are employed in the treasurer's and superintendent's office as clerks, and assist in weighing deposits as they pass from one branch to another, in making computations and other kinds of service requiring educated and intelligent men. The fireman who attends the boiler is a practical engineer, and must understand the working of the machinery which he assists in attending. So likewise with other kinds of labor which has to be performed by an interchange of hands in one or more departments as the exigencies of business may require, in all of which extreme nicety of manipulation, judgment and mechanical skill are considered indispensable. Nevertheless, I am unable to come to a conclusion as to a reduction of the numbers.

After full consultation with the chief officers of the coiner's, assayer's, melter and refiner's department, and the combined assurance of these gentlemen that they could not perform the work now done in the mint with a smaller number of employes, unless by an increase of extra hours, I would not feel justified in insisting upon a reduction, although to meet the wishes of the department a reduction was strongly urged. My opinion is that a smaller number of operatives *could* do the work, but it is not probable they would do it, and that at a reduced compensation, or if they did it is not unlikely the difference would be made up in compensation for extra labor.

On this subject and the rates of wages, I conferred very fully with all the officers, and caused them to explain the duties of each operative in detail, after which I requested statements in writing, which are herewith submitted, marked B, C and D.

REDUCTION OF WAGES.

Superintendent's department, proper.

Number.	Wages.	Reduced to—
8 Watchmen	\$6 per day	\$5 per day.
2 Doorkeepers	6 "	5 "
1 Messenger	6 "	5 "
1 "	6 "	6 "
1 Conductor	6 "	5 "
1 Carpenter	7 "	6 "
2 Laborers	6 "	5 "
3 "	5 "	5 "
1 Servant	120 per month.....	100 per month.
1 "	120 "	120 "
1 Porter	190 "	150 "

No. 22.—Reduction per day.....\$16 75

Of the above, four watchmen employed during the excitement in May, to guard the mint, were subsequently placed on the pay roll; three of these at least can be dispensed with as soon as the difficulties are at an end, which will probably be in a few days. The porter, Cornelius Heyer, was transferred from the custom-house where he received \$130 per month, and was allowed \$60 additional in the mint, in consequence of the importance of his position in attending two vaults; four of the laborers are clerks and one a weighman; one of the messengers is superintendent of the stores in the warehouse and attends to all shipping and outside business; one of the servants is a messenger. I would recommend a reduction of three watchmen, one servant and two laborers in this department, but have not insisted upon it in consequence of the strong representations made by the superintendent as to the necessity of retaining all employed.

Coiner's department.

Number.	Wages.	Reduced to per day.
1 at.....	\$8 per day	remains \$8 "
1 at.....	8 "	7 "
9 at.....	7 "	6 "
6 at.....	7 "	5 50 "
1 at.....	6 "	5 50 "
15 at.....	100 per month.	Adjusters, females.
18 Workmen.—Reduction.....		18 50 "
15 Adjusters.—No reduction.		

Assayer's department.

Number.	Wages.	Reduced to—
1	\$8 00	\$8 00
5	8 00	7 00
1	8 00	7 50
1	7 50	7 50
4	7 00	6 00
2	5 00	5 00
<hr/>		
14	Reduction	9 50 per day.

Melter and refiner's department.

Number.	Wages.	Reduced to—
2	\$8 00	remains \$8 00
7	7 00	" 7 00
18	7 00	6 00
<hr/>		
27	Reduction	18 00 per day.

Recapitulation.

Reduction.

Superintendent's department	\$16 75 per day.
Coiner's "	18 50 "
Assayer's "	9 50 "
Melter and refiner's "	18 00 "
<hr/>	

Total reduction of wages 62 75

To date from August 1, 1856. For details in reference to names and order of reduction, I refer the department to the official list which will be transmitted by superintendent by next mail, and to the accompanying letters and tabular statements, marked B, C, and D.

By reference to the tabular statement of assays, contained in the letter of the assayer, marked C, it will be found that the number of assays is unusually large. This has been deemed necessary to provide against fraud. In most cases three assays of each deposit are made, and in some four are considered necessary. The number of deposits, also, is larger in proportion to the coinage than in any other institution of this kind in the United States. This arises from the fact that a large proportion of the miners are themselves the original depositors. Of course, in estimating the expense of coinage, these facts should be taken into consideration. The books show the following result since the commencement of the operations of the mint.

1854.		No. of deposits.	Average per day.
2d	qr. ending June 30	1,716	22
3d	“ “ Sept. 30	2,071	26
4th	“ “ Dec. 31	1,073	*14
		<hr/>	<hr/>
		4,860	20 $\frac{2}{3}$

*NOTE.—Acids gave out, and operations were suspended.

1855.	No. of deposits.	Average per day.
1st qr. ending March 31,.....	1,882	24
2d " " June 30,	2,791	36
3d " " Sept. 30,	4,196	53
Fraction 4th qr. ending Nov. 30,	2,810	53
	<hr/> 11,679	<hr/> 41½
1856.		
1st qr. ending March 31,.....	4,074	52
2d " " June 30,	6,501	83
	<hr/> 10,575	<hr/> 67½

Showing a very large increase in the number of deposits during the last two quarters, which increase is to be attributed to the fact that where there was formerly delay in making returns to depositors, who were thereby forced to sell out to bankers and money dealers, the returns are now made in one intervening day, and the shipment of bullion to the Atlantic States for coinage has to that extent been diminished.

The branch mint having been established in California to meet the wants of the community on the Pacific coast, it has been the chief ambition of the officers of that institution to make it answer that end by prompt returns to all depositors,* thereby keeping, as far as practicable, a vitiated currency of domestic manufacture out of circulation. The beneficial effects of this is now apparent. Two years ago the coinage of private assay offices exceeded that of the United States in circulation in this State; and the department will remember that this vitiated currency was received and paid out in the public offices, and was made the subject of official complaint by the undersigned. There is now very little of this private coinage to be found, the community having confidence in the ability of the mint to supply all its wants. Most of the bankers and money manufacturers who made immense fortunes at the expense of the industrial classes by whom the gold was extracted from the mines, have broken up, and a general feeling of confidence has obtained in reference to the superior reliability and capacity of a government institution.

If, therefore, in according to the demands of the community in the prompt return of coin to depositors, the superintendent has exceeded the limitation upon the amount of coinage prescribed by Congress in its appropriations for the payment of expenses, it has rather been from a mistaken sense of duty than from any improper motive or official incapacity. Taking into consideration the limited facilities for coinage in a country like this, the cramped and incommodious condition of the refinery and other working departments, it is a matter of surprise that so much has been accomplished in so brief a period by this institution. Nevertheless, it must be admitted that the expenses have been too great, but I feel assured that every effort will be made in future to curtail them.

Believing that great inconvenience might result from any delay in submitting these explanatory statements to the consideration of the department, I have made the investigation as detailed as possible

*See 2d paragraph of letter from Secretary of the Treasury to Superintendent, dated October 18, 1855, in reference to speedy returns.

within a brief period ; but as this is a subject of great importance, requiring still further and more rigid examination, I must suspend any further recommendation at present, and beg to assure the department that, in accordance with its instructions, every effort will be made to detect any abuses that may exist in this branch of the public service.

Very respectfully, your obedient servant,

J. ROSS BROWNE.

Hon. JAMES GUTHRIE,
Secretary of the Treasury.

UNITED STATES BRANCH MINT,
San Francisco, August 4, 1856.

SIR: I have the honor to acknowledge the receipt of your favor of the 4th ultimo, referring to a deficiency appropriation for this branch mint, for the fiscal year ending June 30, 1856 ; and also to the great increase of expenditure during my superintendency of this institution over that of my predecessor ; also, with regard to the number of employés and the wages paid them.

1st. With reference to the deficiency and the cause of it.

In December last I received from the director of the mint instructions to inquire into our means for the fiscal year ending June 30, 1856, for the purpose of asking for a deficiency appropriation, if necessary. In my reply I stated that, with the *exception of the amount due for acids in New York, (say \$10,000,)* I thought I could get through the year without any deficiency ; this report was based upon a gradual increase of work, but not to the extent it has proved to be ; and had there been no drafts upon our wages and incidental and contingent appropriations, we could have finished the year without a deficiency. Since my report was submitted to the director, he has advised me, at sundry times, that he has drawn some \$16,500 from different appropriations for this branch ; that he has paid for acid, \$3,337 62 ; and, in his last, he states that there is still due this branch, from the appropriation for deficiency of 1855, \$3,721 40 ; these amounts together making more than the amount of deficiency we have asked for, that is \$20,000.

2d. *With reference to the great increase of expenditures*, I would here state, that since entering upon my duties I have paid many bills that were incurred under my predecessor, and have also paid for nitric acid (since February 1, 1856) the full amount of the bills ; whereas my predecessor was supplied with some \$15,000 worth of nitrate of soda which was paid for by government out of the deficiency appropriation of 1855, (and not paid out of the earnings of the mint transferred to his ordinary fund,) and was credited in the bills for acid paid by him. Also, the annual settlement in December last, the expenses incurred by which were very heavy, in consequence of many improvements which were made in the refining and in the melting room, and without which we would never have been able to have

done the amount of work which we have done in the two quarters of this year just expired, and which has amounted to the unprecedented sum of nearly *eighteen millions* of dollars, and that, too, with an increase in expenses in proportion of only *twelve* per cent. Another great expense has been in the extra time we have been compelled to make in order to keep our payments to depositors up and regular, and which we were entirely unable to do with our then bullion fund, unless with this extra work.

3. *With respect to wages of workmen and number employed.*—I have conferred with J. Ross Browne, esq., special agent, &c., together with the different officers of the institution, and have reduced the rates of wages as far as it could be done with safety to the institution and to the government. With reference to the amount paid at the custom-house, we can hardly use that as a criterion here, as men could not be found at those rates to do the work that is done here, and especially where there is so much precious metal constantly exposed, and of which small amounts could continually be extracted without being detected until the annual settlement. In the mean time the guilty might have resigned without being suspected, and then the innocent would suffer. These are the reasons why it would be unsafe to employ workmen in the institution (where there is so much precious metal constantly exposed, and temptation always before them) at less wages than they can get at private establishments. With regard to the number of employés, I would say that during the present excited times it has been deemed unsafe to leave the mint with only four watchmen during the night time, (two only being awake at a time,) and consequently I employed four additional.

As regards the doorkeepers, they cannot leave their post, and consequently can be used for no other purpose.

As to the messengers, one acts as warehouse man, and is occupied nearly all the time running to and from the warehouse for supplies, he keeping an account of all goods put in store; the warehouse being about one mile from the mint, (which, in consequence of strong acid, had to be beyond the fire limits of the city.) This leaves only one messenger to attend to the calls of the different offices. The conductor acts as messenger when not engaged with visitors. The porter is a person who has the handling and counting of the treasures in the vault of the assistant treasurer, and, in consequence of our being obliged to have such a man, he was employed to do the work of both vaults rather than employ another man, in which case we should have had to pay him more wages; whereas by the present system it is a saving to government.

As to the laborers, in consequence of being obliged to employ more clerical force, and their being no appropriation to pay them from as clerks, they were placed upon the pay-roll as laborers, and paid from the ordinary fund.

The servants are required to attend to all the different offices, and can hardly be dispensed with. Thus from the above, although there appears to be fourteen persons employed as of a general character, there are three who cannot be counted as belonging to that department, but as clerks.

With regard to the charge for "millwrighting," in addition to one employed, the charge arose from the fact of requiring an additional man during the last settlement, (it was not thought advisable to place his name on the pay-roll, but pay him by warrant;) and also our regular millwright having nearly ruptured himself in his labors in the institution.

With regard to reducing the number of employés in the different departments, upon an investigation of the case, and consulting with Mr. Browne and the different officers of the institution, it was not deemed prudent or advisable to reduce the number, as it could not be done without greatly retarding our operations, and causing delay in paying deposits, (which are now paid in two days;) or, if we were to reduce the number, we should, in order to make prompt payments, be obliged to make much more extra time, which would amount to about the same thing. As to the number of lady adjusters, it would be unadvisable to reduce their number, as that would seriously retard the coinage operations, unless by much extra work, and ladies are not so able to do that as men.

As to the abuse of the extra work, I would say that the account is made up daily by the different officers of this branch, and at the end of each month certified to as to the correctness by them, then to be placed upon the pay-roll in this manner. I do not see any way that it can be abused except by the officers themselves, and I hardly think it probable or likely that they would do so.

4th. With regard to the incidental and contingent expenses, I have more fully set them forth in my second clause. As to the advertising, I have to state that it was for the purpose of notifying the miners and others of our closing during, and opening after, the annual settlement; and although placed in so many papers, it was deemed necessary as information to them, and not for patronage.

With reference to a "directory," that is a book that is daily and almost hourly referred to for the supplying of different articles for the institution, and although of so small a cost, still is almost an invaluable book with us.

As to expensive furniture and fixtures, I have only to say that they were deemed necessary by the different officers and myself, such as for instance the oilcloth in the receiving room; the old one was so much worn, having lain for over two years on the floor, and the overflowing of the vat in the refinery last year had completely ruined it, was the reason of replacing it with a new one. The carpet in the coiner's office was necessary, as his was entirely worn out and entirely unfit for use, and being so full of gold and silver, was replaced with a new one, in order that he might burn the old one. The melter and refiner's was also entirely worn out and decayed by the action of acid, a cess-pool for the reception of refuse acid being directly under his office; as he has much bullion at all times in his office, and in order to save every particle, a new one was deemed necessary. With these exceptions, and the purchase of three desks for clerks, (some of whom, when I entered, were using the counters without desks,) no other furniture has been purchased. The fixtures were refining houses, which, although expensive, could not be dispensed with.

With regard to the bill of carpentry, receipted by A. Snyder, I have to say that he is not a relative of our treasurer, and not even an acquaintance, but a regular working carpenter, who bid for the building of the new weigh-room for the assayer, and, being the lowest bidder, was accepted.

With reference to labor charged, I would state that, in consequence of being obliged to purchase (at times) coals, salt, and other articles in large quantities, all of which has to be taken to the warehouse, I have had to employ men to do the work of storing, &c.; and, also, when coal has been delivered at the mint, I have to employ extra men.

As regards the credit for articles sold, I would say that there has been nothing sold except a lot of old lead and iron since I have been in office, and that will be found credited in our ordinary account in June last.

With regard to stationery being supplied in large quantities, I have to say that it is now bought by me for the whole institution, instead of, as heretofore, being purchased by each officer; and as to the prices, I have watched them closely, and they are as low as can be had in the city. As to the charge for books, I would here remark, that the director of the mint forwarded a large supply at the opening of this branch, all of which are now about used up, and we are obliged to replace them here; the prices are as low as they can be done in the city. And, in conclusion, I would say that, with regard to the incidental and contingent expenses generally, Mr. Browne has been for the past few days examining the vouchers at this branch, and will advise you fully on the subject.

I have the honor to remain, your obedient servant,

P. LOTT,

Superintendent U. S. Branch Mint, Cal.

Hon. JAMES GUTHRIE,

Secretary of the Treasury, Washington, D. C.

